

1 HONORABLE KAREN A. OVERSTREET
2 CHAPTER 11

3 HEARING DATE: **DECEMBER 18, 2009**
4 HEARING TIME: **9:30 A.M.**
5 LOCATION: **ROOM 7206, SEATTLE**
6 RESPONSE DUE: **DECEMBER 16, 2009**

7

8 **UNITED STATES BANKRUPTCY COURT**
9 **WESTERN DISTRICT OF WASHINGTON**
10 **AT SEATTLE**

11

12 In re
13 THE CASCADIA PROJECT LLC,
14 Debtor.

Chapter 11
Bankruptcy No. 09-20780

15

16

17

18

19

20

21

22

23

24

25

26

**OBJECTION OF HOMESTREET
BANK TO FINAL ORDER ON
DEBTOR'S EMERGENCY MOTION
FOR INTERIM AND FINAL ORDERS
APPROVING POST-PETITION
FINANCING PURSUANT TO 11 U.S.C.
§ 364(c)**

HomeStreet Bank (“HomeStreet”) objects to the Debtor’s request for a final order approving post-petition financing, to the extent that it would provide for DIP financing after the week of January 15, 2010.

The Court has determined that the Debtor’s real property is single asset real estate. As a result, the Debtor is required to commence making monthly payments to HomeStreet, or file a plan with a reasonable possibility of being confirmed within a reasonable time, within 90 days after the Debtor’s petition date. The 90-day deadline is January 13, 2010.

Page 1 - **OBJECTION OF HOMESTREET BANK TO FINAL ORDER ON DEBTOR'S
EMERGENCY MOTION FOR INTERIM AND FINAL ORDERS APPROVING
POST-PETITION FINANCING PURSUANT TO 11 U.S.C. § 364(c)**

BALL JANIK LLP
One Main Place
101 Southwest Main Street, Suite 1100
Portland, Oregon 97204-3219
Telephone 503-228-2525

::ODMA\PCDOCS\PORTLAND\686692\1

1 The Debtor has stated on the record that it will be unable to propose a plan without a
2 substantial equity infusion, which it has been seeking for nearly a year to no avail. Accordingly,
3 the Debtor has proposed to commence making monthly interest payments. However, the
4 Debtor's proposed sources for the interest payments are all from the liquidation of HomeStreet's
5 collateral. The Debtor cannot use the liquidation proceeds of HomeStreet's collateral to make
6 the required interest payments. HomeStreet is entitled to those liquidation proceeds separate and
7 apart from the interest payments.

8 The Debtor will be unable to commence making monthly payments or file a confirmable
9 plan by the January 13, 2010 deadline. HomeStreet is filing a motion for relief from the
10 automatic stay, which it will set for hearing on January 15, 2010. Assuming that the automatic
11 stay will be lifted at that time to allow HomeStreet to foreclose on the Debtor's primary asset, at
12 that point many of the line items in the Debtor's DIP financing budget will no longer be
13 necessary. Accordingly, the Court should not authorize DIP financing for periods subsequent to
14 the week of January 15, 2010.

15

DATED: December 16, 2009

BALL JANIK LLP

17

By: /s/ Brad T. Summers
Brad T. Summers, WSBA No. 35281

18

Attorneys for HomeStreet Bank

19

20

21

22

23

24

25

Page 2 - **OBJECTION OF HOMESTREET BANK TO FINAL ORDER ON DEBTOR'S
EMERGENCY MOTION FOR INTERIM AND FINAL ORDERS APPROVING
POST-PETITION FINANCING PURSUANT TO 11 U.S.C. § 364(c)**

BALL JANIK LLP
One Main Place
101 Southwest Main Street, Suite 1100
Portland, Oregon 97204-3219
Telephone 503 228 2525

:\ODMA\PCDOCS\PORTLAND\686692\1

CERTIFICATE OF SERVICE

I hereby certify that I served copies of the foregoing **OBJECTION OF HOMESTREET BANK TO FINAL ORDER ON DEBTOR'S EMERGENCY MOTION FOR INTERIM FINAL ORDERS APPROVING POST-PETITION FINANCING PURSUANT TO 363(c) & 364(c)** on the following parties by CM/ECF:

- Robert N Amkraut ramkraut@riddellwilliams.com, cseelhoff@riddellwilliams.com
 - William L. Beecher billbeecher@beecherandconniff.com, beecher.bill@gmail.com
 - Thomas A Buford Thomas.A.Buford@usdoj.gov, Young-Mi.Petteys@usdoj.gov;Tara.Maurer@usdoj.gov;Martha.A.VanDraanen@usdoj.gov
 - David W. Criswell dcriswell@balljanik.com, swylen@balljanik.com
 - Brian L. Green blg@mcgavick.com, rkb@mcgavick.com
 - Geoffrey Groshong geoff.groshong@millernash.com, angela.lewis@millernash.com;kalen.daniels@millernash.com
 - John S Kaplan kaplj@perkinscoie.com, COLague@perkinscoie.com;docketsea@perkinscoie.com;MLMaag@perkinscoie.com
 - Stuart P Kastner spk@soslaw.com, lsb@soslaw.com
 - John R Knapp jknapp@cairncross.com, ashanko@cairncross.com
 - John R Rizzardi jrizzardi@cairncross.com, rwang@cairncross.com
 - Brad T Summers tsummers@balljanik.com, swylen@balljanik.com
 - United States Trustee USTPRegion18.SE.ECF@usdoj.gov
 - Mark Von Wahlde mvonwah@co.pierce.wa.us, pcpatvecf@co.pierce.wa.us

and on the following parties by **mailing** a full, true and correct copy in a sealed first-class postage prepaid envelope, addressed to the parties listed below, and deposited with the United States Postal Service at Portland, Oregon on the date set forth below:

1 Cairncross & Hempelmann PS
2 524 2nd Ave Ste 500
3 Seattle, WA 98104-2323

4 Javier Figueroa
5 c/o The Highridge Corp
6 PO Box 260
7 Issaquah, WA 98027

8 Helen Gilbert
9 c/o Tacoma Pump & Drilling
10 30316 Mountain Hwy
11 Graham, WA 98338

12 Gordon Thomas Honeywell
13 1201 Pacific Ave Ste 2100
14 Tacoma, WA 98402

15 G Patrick Healy
16 Atty at Law
17 3868 Center St
18 Tacoma, WA 98403

19 William T Lynn
20 Gordon Thomas Honeywell
21 1201 Pacific Ave Ste 2100
22 Tacoma, WA 98402

23 Miller Nash LLP
24 601 Union St Ste 4400
25 Seattle, WA 98101-2352

26 Jerry Retzlaff
27 c/o Hugh G Goldsmith & Associates
28 PO Box 3565
29 Bellevue, WA 98009

30 DATED: December 16, 2009

31 /s/ Stuart Wylen
32 Stuart Wylen, Legal Secretary

33 Page 2 - **CERTIFICATE OF SERVICE**

34 BALL JANIK LLP
35 One Main Place
36 101 Southwest Main Street, Suite
37 1100
38 Portland, Oregon 97204-3219
39 Telephone 503-228-2525

40 ::ODMA\PCDOCS\PORTLAND\686692\1